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97TH CONGRESS } HOUSE OF REPRESENTATIVES { REPT. 97-910
2d Session } { Part 2

COMPLETED ORIGINAL

RELATING TO THE DONATION OF PROPERTY FOR CIVIL DEFENSE

OCTOBER 5, 1982.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. BRINKLEY, from the Committee on Armed Services, submitted the following

REPORT

[To accompany H.R. 1856 which on February 17, 1981, was referred jointly to the Committee on Armed Services and the Committee on Government Operations]

[Including cost estimate of the Congressional Budget Office]

The Committee on Armed Services, to whom was referred the bill (H.R. 1856) to authorize the Administrator of General Services to donate to state and local governments certain Federal property loaned to them for civil defense use, and for other purposes, having considered the same, report favorably thereon and recommend that the bill do pass.

JOINT REFERRAL

This legislation was jointly referred to this committee and to the Committee on Government Operations because of shared jurisdiction under House Rule X.

The Government Operations Committee voted to favorably report the bill on September 28, 1982. See House Report 97-910, part I.

PURPOSE OF THE BILL

The purpose of H.R. 1856 is to enable the Federal Emergency Management Agency (FEMA) to close out a property loan program previously conducted by the Defense Civil Preparedness Agency (DCPA) by directing the Administrator of General Services to donate to state and local governments certain Federal personal property on loan to them.

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BACKGROUND AND DISCUSSION

On January 16, 1981, the Federal Emergency Management Agency transmitted to the Congress a legislative request to authorize the Administrator of General Services to donate to state and local governments certain Federal personal property loaned to them for civil defense use, and for other purposes.

On February 17, 1981, as requested, the bill (H.R. 1856) was introduced by the Committee on Armed Services Chairman Melvin Price and Ranking Minority Member William Dickinson. It was assigned to the Armed Services Subcommittee on Military Installations and Facilities.

The subcommittee received testimony in support of the bill from Administration witnesses on February 26, 1981. Further action was deferred on the bill until the Committee on Government Operations, to which the bill was referred jointly, decided to act on the legislation. That committee reported the bill favorably on September 28, 1982.

Enactment of the legislation is in order so that the property loan programs previously conducted by the Defense Civil Preparedness Agency (DCPA) can be concluded. DCPA was abolished under the 1979 reoragnization of the civil defense program and its functions were transferred by executive order to the Federal Emergency Management Agency.

As a defense agency, DCPA had been authorized to loan property otherwise excess to defense needs to state and local governments. With the reorganization and creation of FEMA, an independent agency, the program was terminated because FEMA is not a defense agency and does not have access to such property.

At the same time, a number of pieces of equipment were on loan. The DCPA had loaned the personal property in lieu of making financial contributions under Section 201 of the 1950 Civil Defense Act. The agency retained title to the property within the Department of Defense's (DOD) property reutilization program and did not declare it excess to DOD needs. As such, property placed on loan by DCPA was not covered by Section 5 of Public Law 94–519 (40 U.S.C. 483c) which provided for a "one-time" donation of excess personal property on loan to Federal grant program participants.

In all, some 30,000 pieces of equipment, ranging from trucks to radio sets have been made available on a loan basis to state and local governments under the property reutilization program. The original acquisition cost of the equipment to the Defense Department was valued at $162 million. By the time it was loaned to the state and local governments, the equipment had outlived its usefulness to the defense establishment. It ranged in age from seven to twenty years. Because of the age and condition of the equipment the state and local governments have had to make extensive repairs to it. The most recent audit on the use of such equipment indicated that all but 277 cases were found to be in compliance with agency requirements and only 18 of the 277 cases remained unresolved.

According to FEMA, it would be far more costly for the equipment to be returned to the Federal Government when compared to cost of conferring title to the state and local users.

With enactment of the bill, FEMA would be required to certify to the General Services Administration (GSA) that the property is being used, and will be used, for purposes consistent with the original loan.

The state emergency management directors would be required to certify 100 percent of the property in the state as to its use, and provide a certification to the respective regional director of FEMA. The certification procedure would include designation of equipment properly used, and hence to be donated, and equipment that is not being properly used because of disrepair, for example. FEMA would discharge its responsibility by a random sample of the certifications provided by the state.

PROVISIONS OF H.R. 1856

The first section of the bill identifies the Federal personal property that would be donated to state and local governments:

(1) Property that was originally transferred by a component of the DOD to the DCPA by July 15, 1979;

(2) Property which is, on date of enactment of H.R. 1856, on loan to state and local governments; and

(3) Property which was transferred with functions of DCPA to FEMA.

The second section of H.R. 1856 provides guidelines to the Administrator of GSA and the Director of FEMA on the implementation of the bill. Essentially, FEMA would be required to certify to GSA that the property in question is being used for a purpose consistent with that for which it was loaned. Upon receipt of the certification, GSA would transfer title of the property to the state or local government holding the property on date of enactment.

DEPARTMENTAL POSITION

The Federal Emergency Management Agency in a letter dated January 16, 1981, requested enactment of the bill and the Office of Management and Budget interposed no objection to the submission of the legislation for consideration by the Congress.

FEDERAL EMERGENCY MANAGEMENT AGENCY,
Washington, D.C.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Enclosed is proposed legislation "To authorize the Administrator of General Services to donate to State and local governments certain Federal personal property loaned to them for civil defense use, and for other purposes."

The donation to be authorized by this legislation is of Federal personal property now on loan to State and local governments for their use as civil defense equipment pursuant to the Federal Civil Defense Act of 1950, as amended. The property was originally acquired for military operations and support programs by components of the Department of Defense, and was subsequently transferred to the Defense

Civil Preparedness Agency (DCPA) under the DOD property reutilization program for loan to State and local civil defense organizations. The Defense Civil Preparedness Agency participated in the DOD property reutilization programs as an organizational unit of the Defense Department charged with carrying out civil defense programs authorized by the Federal Civil Defense Act.

DCPA loaned the property in lieu of making financial contributions under section 201 of the Federal Civil Defense Act, retaining title to the property as within Defense Department reutilization and not as property excess to DOD needs. As such, property placed on loan by DCPA was not covered by Public Law 94–519 which allowed for a "one time" donation of personal property then on loan to Federal grant program participants.

Effective July 15, 1979, all functions, authorities and resources, including this property, of DCPA were transferred by Executive Order 12148 from DOD to this Agency. Accordingly, since July 15, 1979, because civil defense functions are no longer assigned to a unit of the Department of Defense, property of DOD which had been used for loan to State and local defense units can no longer be made available for new loans.

The purpose of this legislation is to close out the prior property loan program conducted by DCPA in a manner consistent with the overall best interests of the Federal Government and State and local governments. Much of the property on loan had already been subjected to long State and local use, and in many cases repair parts are no longer available. In these instances repossession of the property and ultimate disposal would be so burdensome that such actions would far overshadow any Federal gain. Additional, State and local governments have, in many cases, made substantial expenditures to repair or rebuild the loaned equipment to make it usable. Requiring the equipment to be returned would deprive these jurisdictions of the investments in this property. Accordingly, passage of this legislation will be cost efficient and beneficial to the Federal Government as well as to the prospective donees.

Enactment of this legislation would not result in additional cost to the Federal Emergency Management Agency or to the Executive Branch, as all that is involved is transfer of title to property already in the possession of the States or local governments to those governments.

On January 14, 1981, the Office of Management and Budget advised that there is no objection from the standpoint of the Administration's program to the submission of this legislation for consideration by the Congress. An identical letter is being sent to the President of the Senate.

Sincerely yours,

JOHN W. MACY, Jr.,
Director.

Enclosure.

COMMITTEE POSITION

The Committee on Armed Services on September 30, 1982, unanimously agreed to report H.R. 1856, by voice vote.

FISCAL DATA

Pursuant to the House rules, the five year cost projection of the legislation as estimated by the Federal Emergency Management Agency, the Congressional Budget Office and the Armed Services Committee follow:

Agency cost estimate

Following are the estimated outlays resulting from the legislation for fiscal year 1983 and the four following fiscal years is provided by the Federal Emergency Management Agency.

FEDERAL EMERGENCY MANAGEMENT AGENCY,
Washington, D.C., September 30, 1982.

Hon. MELVIN PRICE,
Chairman, Committee on Armed Services,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with the Office of Management and Budget Circular A–19, the Federal Emergency Management Agency is furnishing the five-year estimated cost to the Government of administering H.R. 1856, a bill "To authorize the Administrator of General Services to donate to State and local governments certain Federal personal property loaned to them for civil defense use, and for other purposes." Our estimate is as follows:

Fiscal year:	
1983	$30,000
1984	1,000
1985	0
1986	0
1987	0

The above includes the one-time cost of a sample survey to verify and certify the proper use of all equipment on loan. Savings to the Agency would be the release of approximately 10 workyears annually for other higher priority activities if this legislation is enacted.

Sincerely,

(For Lee M. Thomas,
Associate Director, State and
Local Programs and Support).

Congressional budget office estimate

In compliance with clause 2(1)(3)(C) of rule XI of the House of Representatives, the estimate prepared by the Congressional Budget Office and submitted pursuant to section 403 of the Congressional Budget Act of 1974 is included hereafter:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., September 30, 1982.

HON. MELVIN PRICE,
Chairman, Committee on Armed Services,
U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed

H.R. 1856, a bill to authorize the Administrator of General Services to donate to State and local governments certain federal personal property loaned to them for civil defense use, and for other purposes, as ordered reported by the House Committee on Armed Services, September 30, 1982.

The bill requires the Director of the Federal Emergency Management Agency (FEMA) to certify that the property is being used by the state or local government for a purpose consistent with that for which it was furnished. CBO estimates the cost for this certification and the administrative expenses associated with processing the transfer of approximately 30,000 items will be about $35,000. If title for all property currently on loan to state and local governments under this program is transferred to those governments, there will be an annual savings of approximately $200,000, because FEMA will no longer be accountable for the property and therefore, the costs of monitoring the inventory and processing loan renewals will no longer be incurred.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

ALICE M. RIVLIN,
Director.

COMMITTEE COST ESTIMATE

Pursuant to clause, rule XIII of the House of Representatives, the committee attempted to determine outlays resulting from the bill for fiscal year 1982 and the four following fiscal years. Based upon the different assumptions used, both estimates appear to be reasonable and acceptable to the committee.

INFLATION-IMPACT STATEMENT

Pursuant to clause 2(l)(4) of rule XI of the rules of the House of Representatives, the committee attempted to determine the inflationary impact of the bill.

The committee believes there would be no inflationary impact from the legislation.

OVERSIGHT FINDINGS

With reference to clause 2(l)(3)(D) of rule XI of the House of Representatives, the committee has not received a report from the Committee on Government Operations pertaining to this subject matter.

With reference to clause 2(b)(1) of rule X of the House of Representatives, the committee finds and recommends that the legislation be enacted pursuant to its oversight responsibilities.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, the committee reports that there are no changes in existing law made by the bill as reported.

SUMMARY

Purpose and background

The bill H.R. 1856 would authorize the Administrator of General Services to donate to State and local governments certain Federal personal property loaned to them for civil defense use, and for other purposes.

The purpose of H.R. 1856 is to enable the Federal Emergency Management Agency (FEMA) to close out a property loan program previously conducted by the Defense Civil Preparedness Agency (DCPA) by directing the Administrator of General Services to donate certain Federal personal property now on loan to State and local governments.

Fiscal data

The Federal Emergency Management Agency's estimated 5-year cost projection, starting in fiscal year 1983 is $31,000. The Congressional Budget Office's 5-year cost projection, starting in fiscal year 1983 is $35,000. Based upon the different assumptions used, both estimates appear to be reasonable and acceptable to the committee.

Agency position

The Federal Emergency Management Agency requests passage of the legislation and the Office of Management and Budget interposes no objection to submission of the legislation for consideration by the Congress.

Committee position

The Committee on Armed Services on September 30, 1982, unanimously agreed to report H.R. 1856 by voice vote.

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